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1. The sharp battle in progress in Czechoslovakia between the Roman-Catholic Church under Cardinal BERAN and Slovak peasants against the anti-religious policy of the Czech Government again tends to focus attention on the conditions prevailing in the so-called "Satellite States" of the Soviet Union.

2. The fight against the church in Czechoslovakia proves that the slim concessions made to the Western Powers by the Soviet Government during the Paris Conference does not prevent MOSCOW from further fortifying and improving its position in Eastern Europe and from applying methods which are bound to be sharply condemned by the West. Indeed, the prediction seems to be confirmed that the Soviet Government yielded in the BERLIN question for the sole purpose of easing political pressure and eliminating the danger of war at the present moment and to obtain a breathing period which would permit them to turn to more urgent objectives. One of these objectives is undoubtedly the consolidation of Soviet power in Eastern Europe and the Far East.

3. To clarify understanding of the consistancy of Soviet Union operations in Eastern Europe, the most important steps in their policy of consolidation of power may again be summarized. MOSCOW was at first interested only in occupying strategic positions, seizing control of the armies and police while it left bourgeois figure-heads in much the same positions as the Rumanian monarchy, which was not removed until December 1947. With the army and police brought under control, MOSCOW would then liquidate the most dangerous opposition parties. In agrarian countries the peasant parties were usually the first to be removed. This may be illustrated by the execution of PETKOFF, leader of the Bulgarian peasants, and the condemnation of MANIU, aged leader of the Rumanian peasants. Steps against the bourgeois parties followed. They were persecuted and their leaders arrested or forced to go abroad. In this manner these parties slowly lost their influence.



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4. Mergers served to bring the Socialist parties under MOSCOW's control. These parties were combined with the usually small memberships of the Communist parties into one "workers' party". After some months the mergers would then be followed by "purges" which eliminated the most vigorous opposition in the former Socialist parties.

5. Hand in hand with the extermination of the opposition went the indoctrination of Bolshevist principles in economy and administration. The most important means of production, commercial enterprises, the transportation system, banks and large estates were nationalized and the collectivization of agriculture was started. The pace set in the different countries varied according to the degree of resistance to be overcome. With all opposition groups eliminated, only the religious bodies and those Communist elements which would not condone complete subjugation of their countries to MOSCOW could still to be considered dangerous by the Kremlin. MOSCOW's first fight against the church led to the dissolution of the Greek-Catholic Church in Rumania, to arrests to prominent Protestant clergymen in Bulgaria and to the subjugation of the Lutheran and Methodist Church in Hungary. The Russian-Orthodox Church in all countries concerned was brought under close control of the state on the MOSCOW pattern. While these victories were easily obtained, the fight against the Roman-Catholic Church proved more difficult, this church being backed by the Vatican. Cardinal MINDSZENTY was sentenced to life imprisonment in Hungary. The fight continues in Czechoslovakia and there are signs of impending strong action against the Roman-Catholic Church in Poland.

6. MOSCOW's advance against the so-called "national opposition" within the Communist parties resulted in a serious defeat in Yugoslavia but successes in the other Satellite States. When MOSCOW went too far in its policy towards Yugoslavia, TITO shook off the Kremlin's tutelage and went his own way. However GOMULKA, the powerful party secretary in Poland, and RAJK, once Minister of the Interior and then Foreign Minister of Hungary, both fell victim to MOSCOW's policy. In "Free Greece", General MARKOS was superseded by a Communist who did not oppose the establishment of an "independent" (MOSCOW-controlled) Macedonia. In Albania, DZODZE, the party secretary who had been the most powerful man next to the prime minister, died because he had sided with TITO. In Bulgaria, KOSTOFF, party secretary and the man next to DIMITROFF, was removed from office, arrested and will soon be tried. As to DIMITROFF, his death was very opportune for MOSCOW. Recent press attacks against him had already indicated that his star was fading. MOSCOW's distrust of him began in late 1947 when he came out with plans for confederation of the Balkan Countries. These suspicions became still more acute when he failed to sign the Cominform Protocol of 28 June 1948 against TITO.



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7. MOSCOW apparently aims for the government of the Satellite States by quislings in whom there is no threat of political dissent. It does not seem probable that this fight against both intra-party opposition and the church should yet be ended. The gravity of this opposition and the still greater task of dominating Yugoslavia again makes it appear understandable that MOSCOW may wish for a breathing spell in Central Europe.

8. MOSCOW's present situation in relation to the Satellite Countries may be briefly rendered in the following.

a. Yugoslavia

(1) TITO has stood up to the Kremlin for more than a year. The USSR carries on this fight chiefly with economic weapons. Albania, Rumania, Bulgaria, Hungary, Czechoslovakia and recently Poland stopped trading with Yugoslavia on orders from MOSCOW. As a result TITO must lean more and more to the Western Powers and seek to obtain their economic aid. He is now negotiating with Italy and Great Britain for the conclusion of long-term contracts and he is applying to banking institutions in the United States for loans. According to newspaper reports, the USA intends to link the granting of a large credit - $200,000,000 was said to be under discussion but the figures mentioned fluctuate - with the following political demands:

(a) Yugoslavia must stop supporting the Greek rebels;

(b) Yugoslavia must recognize the decision of the PARIS Conference regarding Austria's borders;

(c) Yugoslavia must accede to the return of the Free Territory of TRIESTE to Italy.

(2) In his speech in POLA on 10 July 1949 Marshal TITO commented on these questions as follows:

(a) Yugoslavia's Greek borders will be sealed. TITO reasoned that this measure is necessary because Greek Government troops violated the border. He also referred to the fact that Greek Communists sided with the Cominform in its fight against Yugoslavia.

(b) Yugoslavia will never relinquish her claims to parts of Carynthia but will take a "disciplined" stand regarding this question. In other words, she will accept the inevitable.

(c) The demand by the United States, Great Britain and France that TRIESTE be returned to Italy, is "unliteral". TITO demanded that Yugoslavia be consulted. The conciliatory tone of his declaration made it probably, however, that he may also be willing to make concessions in this matter.

(3) MOSCOW must be aware of the fact that its policy of economic blockade is forcing TITO toturn to the West. It is to be assumed, therefore, that MOSCOW aims at this effect, perhaps in the hope that TITO, if he would accept financial support from the west, could be held up as a

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traitor to the working class and that Yugoslav Communists could thus be induced to effect a "castle-coup" or to make an attempt on TITO's life. There is hardly any other explanation for MOSCOW's policy against TITO. Seasoned politicians in the Soviet Union hardly expect to depose TITO by promoting economic difficulties. Yugoslavia has very valuable raw materials for which she may find a market in all other industrial countries. She is, of course, handicapped by the blockade which was clamped on her by her Communist neighbors and which interferes with the proper execution of her Five-Year Plan. Her trade with the West, on the other hand, is not yet firmly established and adjusted. In spite of these difficulties Yugoslavia seems to be less affected by the blockade than the blockading countries themselves, all of which greatly depend on imports of Yugoslav raw materials.

(4) TITO's position is stronger today than ever before. MOSCOW has slight chances of again aligning Yugoslavia with the other Soviet Satellites except by violent action against TITO.

b. Albania

Albania, whose economy depends largely upon Yugoslavia, broke off commercial relations with Yugoslavia only after strong pressure from MOSCOW. More injured by this policy than Yugoslavia, Albania now pays for this step with a steady decline in her economy, which is said to have reached the state of an almost complete breakdown. The opposition which ensued was led by DZODZE, the party secretary. After his execution no new opposition was observed. General dissatisfaction seems, nevertheless, to be so great as to erupt at any moment. MOSCOW is, however, on guard. It has numerous observers and "advisors", in the country and shrewdly kept the most valuable Italian battleships in Albanian seaports. Should the West succeed in separating Albania from the MOSCOW front, the Western Powers would have scored a tremendous success, although Albania is only a small country. The Greek rebels would then be deprived of their rear area and MOSCOW's influence upon the Mediterranean would in a large measure be removed.

c. Bulgaria

After the departure of DIMOTROFF and KOSTOFF from the political scene, KOLAROFF, CHVERVENKOFF and YUGOFF remain as the most prominent and distinct personalities in Bulgaria today, although none of them equal DIMITROFF in initiative and intelligence. MOSCOW's plan to establish an independent Macedonia, in which Bulgaria would also contribute a portion of her territory, disquieted the population to some extent and alarmed even Communists but did not create any danger that the country would follow TITO's example. After KOSTOFF's removal, DIMITROFF would have been the only personality of sufficient caliber to offer resistance to MOSCOW. MOSCOW's domination over Bulgaria must therefore be regarded as firmly established.



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d. Rumania

(1) In Rumania, too, MOSCOW's power appears to be firmly rooted. The opposition went abroad or was arrested. BODNARAS, who is the most influential of the politicians, is true to MOSCOW. Gheorgiu DEJ has long been stripped of his influence. Ana PAUKER tries to win MOSCOW's favor and uses particularly rough language against TITO. Her removal, however, seems to be agreed upon. There is apparently no personality who could follow the example of TITO. National-Communist groups, who want to eliminate the subjugation to MOSCOW, place some hope in BODNARAS, but they do so because of his position as minister of national defense and not because of any anti-MOSCOW tendencies on his part.

(2) MOSCOW applied the method of economic penetration on a broad scale in Rumania. Nine of the most important branches of economy, including the petroleum industry, are operated by combined corporations in which the Soviet Government and the Rumanian Government are partners, with equal shares. The Soviet Union thus controls the Rumanian economy, exploiting it to all intents and purposes.

e. Hungary

During the period between the parliamentary elections held on 31 August 1947 and those held on 15 May 1949, MOSCOW managed to completely destroy the opposition of the bourgeois parties. The elections held in May 1949 meant only an adaption in the distribution of the seats in parliament in accordance with the results obtained by MOSCOW's policy. RAKOSI, veteran Communist leader in Hungary, managed to eliminate RAJK, who strove for power and is now soon to be sentenced as a spy and a hireling of the West. Under these circumstances it is impossible for Hungary to shake off MOSCOW's control.

f. Czechoslovakia

(1) Besides Yugoslavia and Albania, Czechoslovakia offers the most interesting problems in the fight between the East and the West. Among MOSCOW's satellites, Czechoslovakia is that country which is most permeated by western civilization. The Sovietization of Czechoslovakia should, therefore, meet with the greatest difficulties. Czechoslovakia's political leaning to MOSCOW, which had been effected by BENES and thus by a politician who had had strong leanings to the West himself, was only a spontaneous reaction from the oppression of the country by German Nazism. When Czechoslovakia wanted to break the MOSCOW bonds, it was too late and the Kremlin held the country firmly in its grasp. The coup of February 1948 and BENES' subsequent resignation marked the end of this development. MOSCOW is still far from having removed all danger. Catholicism, for example, is deeply rooted in Slovakia and is not to be easily overcome as was shown by the resistance which Slovak peasants offered against the arrest of their priests. The attempt at establishing - with the help of the "actio Catholica" - a counter-church independent of ROME should at best be no more than a success among the Czech population of the country.



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(2) As compared with the situation of the Poles, the situation of the people of Czechoslovakia had not been too bad during the German occupation. The fact that the standard of living is now steadily declining under the Bolshevist regime is bound to have strong effects upon the mood of the population. "MOSCOW" obviously is not in a position to supply the country sufficiently to fill the gaps which developed when Czechoslovakia turned away from western economy and became a partner in the Eastern European Pact of mutual economic aid of 25 January 1949. Rumors have it that prominent Czech politicians keep tending to the MARSHALL Plan. There are, moreover, unconfirmed rumors that under the pressure of circumstances "MOSCOW", too, is no longer as strictly opposed as it had been to an Czechoslovakian application for ERP aid. Should steps be taken by the Czech Government, "MOSCOW" would run the risk of Czechoslovakia turning slowly away from the East and eventually leaning to the West. If the West succeeded in making the masses of the Czech people see that Czechoslovakia will no longer be endangered by Germany, the Czech people would be still more sceptical of the present policy which ties the country to the Soviet Union. "MOSCOW" is obviously aware of its very precarious situation in Czechoslovakia. It was therefore wary in its conduct of the Sovietization of the country. It has not as yet started the collectivization of agriculture and has interfered to a comparatively small extent with private commerce and private industry. MOLOTOV's unexpected visit to KARLSBAD last winter and the surprise visit to PRAGUE which MALENKOV, mighty man of the "MOSCOW" party, paid in late May 1949 are signs that "MOSCOW" is still confronted with problems of greatest importance in this country.

g. Poland

As compared with the situation in the other Satellite States, Poland's standard of living is slowly changing for the better. It should be remembered, however, that the Polish economy had been at a very low ebb because of the extremely hard German occupation policy. Poland's rehabilitation now benefits from the fertile German territories, the coal and ore deposits in Upper Silesia and by Upper Silesia's highly developed industry. Appreciable opposition no longer exists in the country. Communists of caliber who would have the stamina to shake off "MOSCOW"'s yoke did not appear after GOMULKA was removed. As to the church, "MOSCOW" seems to advance more cautiously in Poland than in Czechoslovakia. Since Poland is a transit country to Germany, it is occupied by Soviet troops and it is not to be expected that "MOSCOW" should meet any major difficulties in the near future.

h. Finland

It may be doubted that Finland is still a Satellite State of "MOSCOW". In spite of the alliance and mutual assistance



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pact of 6 April 1948 the Finnish Government skilfully managed to withdraw more and more from MOSCOW's influence, although Finland is exposed to the Kremlin with regard to power politics. The Kremlin from time to time expresses dissatisfaction with the policy of the FAGERHOLM cabinet and particularly with the fact that Communism is kept completely away from the Finnish Government and political life in Finland, but MOSCOW takes no strong action. MOSCOW obviously believes that oppression of Finland after the PRAGUE fashion would set off an extremely sharp reaction by the Western Powers and would lead to Sweden joining the Atlantic Pact. Finland is anxious to avoid any appearance of a change in her foreign policy which could be interpreted as orientation toward the West. It would hardly be appropriate for the Western Powers to take any political steps toward Finland at the present moment.

9. In conclusion, apart from Yugoslavia's defection, Albania and Czechoslovakia appear to be the only countries to offer chances for a loosening of the Soviet domination over Eastern Europe. It is not meant to say, however, that the other Satellite States may not make efforts to withdraw from subjugation of MOSCOW, but it is not expected that their present slim chances would essentially improved by the withdrawal of Soviet troops which, in such countries as Hungary and Rumania, will have to be effected ninety days after the state treaty with Austria becomes effective. MOSCOW knows hos to exert its influence by insertion of numerous "advisors" who control and watch the armed forces, the police and the administration in the Satellite States. If MOSCOW continues to economically exploit these countries, the resulting economic decline may set off a reaction which could prove dangerous to the USSR. This danger would become still greater if TITO, in spite of the blockade against him, could bring about a prosperity that contrasts with the economic situation in Yugoslavia's neighboring countries.



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